GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:62
ANSWERED ON:25.07.2005
FIXATION OF MINIMUM SUPPORT PRICE OF COTTON
Chavda Shri Harisinh Pratapsinh;Thummar Shri Virjibhai

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government fixes the Minimum Support Price (MSP) of cotton in such a manner that the farmers are unable to get back even the production cost of their crops and are compelled to commit suicide due to debt;

(b) if so, the justification thereof;

(c) the number of farmer representatives and their percentage against the total number of members in the Committee which fix MSP;

(d) the steps taken by the Government for taking farmers into confidence while fixing MSP; and

(e) the achievement made by the Government therefrom ?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a) & (b) The Commission for Agricultural Costs & Prices (CACP), while recommending the Minimum Support Price (MSP) of cotton, gives due regard to, apart from comprehensive view of the entire structure of the cotton economy, the factors such as cost of production, changes in market prices, input output parity, demand and supply, international price behaviour, import and export etc.

(c) The Commission`s in-position composition at present is Chairman, Member (Official), Member (Non Official) and Member Secretary. The Non-Official Member is the representative of the farming community.

(d) & (e) The Commission consults the concerned stakeholders including farmers while formulating ideas regarding MSP. In order to avoid distress sale by the farmers, the Government undertakes Price support Operations of cotton through Cotton Corporation of India (CCI) and National Agricultural Cooperative Marketing Federation of India Ltd. (NAFED), if prices of cotton fall below the MSP level. During 2004-05 season, CCI has purchased a quantity of 27.52 lakh bales (170 kgs each) under MSP till 30-06-2005 and NAFED has purchased 0.39 lakh bales under Price Support Scheme (PSS) as on 1-07-2005.